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FM AMEMBASSY ASUNCION
TO RUEHC/SECSTATE WASHDC PRIORITY 6793
INFO RUCNMR/MERCOSUR COLLECTIVE
RUEHBO/AMEMBASSY BOGOTA 0581
RUEHUNV/USMISSION UNVIE VIENNA 0041
RUEAWJA/DEPT OF HHS WASHDC
RUCNDT/USMISSION USUN NEW YORK 0115
RUEAWJA/DEPT OF JUSTICE WASHDC
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C O N F I D E N T I A L ASUNCION 000233

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TO WHA/BSC KREAD, INL/LP DGRAHAM

E.O. 12958: DECL: 10/06/2027

TAGS: [SNAR](#) [PREL](#) [PGOV](#) [PA](#)

SUBJECT: UN CONFIRMS PARAGUAY TOP POT PRODUCER IN SOUTH AMERICA

Classified By: DCM Michael J. Fitzpatrick; reasons 1.4 (b) and (d).

¶1. (U) The United Nation's International Narcotics Control Board (INCB, or JIFE in Spanish) declared Paraguay the top South American producer of marijuana in its 2007 report, published March 5. The report (available on www.incb.org website) noted that Paraguay now is by far the region's primary pot producer, "followed (at a much lower level) by Colombia and Brazil." The report also suggests that Paraguay has taken up the slack as Colombia's marijuana crop declined significantly in recent years. And the report further cites Brazilian authorities as estimating that Paraguay provides sixty percent of Brazil's own domestic demand. Post's 2007 International Narcotics Control and Strategy Report (INCSR) also noted Paraguay's status as the region's top marijuana producer.

¶2. (C)COMMENT: Paraguay has consolidated its top spot as the producer of choice -- both in quantity and quality -- of the illegal drug most widely used in South America. This has been accompanied by increasingly obvious drug-gang violence in border and growing areas -- and domestic political corruption on behalf of traffickers. (The profits can be huge; a 5 USD kilo of marijuana here yields 1000 USD in Santiago, Chile.) All of the major political candidates competing in this month's elections to succeed President Duarte have suggested that, should they win, they support increased U.S. anti-narcotics assistance to fight production, trafficking and related crime and violence. Regardless of who wins here April 20, we should expect such a formal request for expanded U.S. assistance, including support for possible alternative development programs, before 2008 is out. END COMMENT.

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